

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6755

BILL NUMBER: SB 151

NOTE PREPARED: Jan 5, 2006

BILL AMENDED:

SUBJECT: Child Care Regulation.

FIRST AUTHOR: Sen. Lawson C

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill specifies that a licensed child care provider is considered to be in compliance with requirements for federal Child Care and Development Fund (CCDF) voucher payments. The bill specifies child/caregiver ratios. It amends drug testing requirements for CCDF providers. It also prohibits inclusion of identifying information about children on the Division of Family Resources (DFR) Internet site.

The bill makes child care ministry inspections semiannual and as necessary. It allows licensed child care centers to enter into agreements with a school corporation to purchase a school bus. It also requires the Division of Family Resources to amend the child care center rules as specified in several aspects concerning the operation of a child care center.

Effective Date: Upon passage.

Explanation of State Expenditures: *Inspection of Child Care Ministries:* The bill amends current law which requires the Division of Family Resources to inspect a child care ministry quarterly. As proposed, the DFR would be required to inspect child care ministries semiannually and additionally as determined necessary by the DFR, as opposed to quarterly. The number of ministries for which additional inspections would be conducted are unknown. In addition, the number of ministries for which inspections would be conducted more frequently than quarterly are unknown. This provision of the bill would likely reduce overall workload for licensing/registering staff (see *Background Information*). However, actual reductions are dependent on the number of ministries which are inspected semiannually and the number of ministries which would be inspected more often than quarterly.

Background Information: During FFY 2005, there were 765 registered ministries in the state of Indiana, and there were 747 in FFY 2004. Registering staff are also responsible for licensing child care facilities. Child care ministries represented 14% of the total number of providers licensed and registered in FFY 2005.

Notification: The bill requires the DFR to give a licensee of a child care center or child care home 30 calendar days written notice by certified mail of the inclusion of information concerning the licensee and any statutory violations they may have before placing the information on the DFR child care website. As of January 8, 2006, the cost to mail a letter through certified mail will be \$2.40. This provision of the bill would increase expenditures for the state. The DFR reports that inspection reports often include minor violations which are quickly resolved. Furthermore, most providers are found to have some sort of noncompliance during an inspection. During FFY 2005, there were 3,611 licensed homes and 655 licensed centers open at some point during the year. This totals to 4,266 entities. Expenditures could increase from \$0 to \$10,238. Actual increases would be dependent on the number of licensees found to be in violation.

Appeals: The bill also requires the DFR to allow a child care center or a child care home to request an administrative hearing concerning the DFR's decision to include information on its website pertaining to a sanction that the center has received. The DFR reports that enforcement actions are not placed on the website until the appeals process for a sanction has been completed. Thus, there is no fiscal impact for this provision of the bill.

Bus Purchasing: This bill requires a school corporation to enter into an agreement with a child care center to purchase a school bus for the child care center. The size of the school bus purchased for a center would likely vary by center. School buses range in price from approximately \$23,000 for a 35-passenger bus to \$26,000 for a 59-passenger bus. School corporations are eligible for discounts when purchasing buses in quantity. Discount prices would be dependent on the number of buses purchased in one order.

Adoption of Rules: The DFR would be required to adopt new rules or amend existing rules pertaining to certain regulations outlined for child care centers in the bill. The DFR should be able to complete this within its existing level of resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Sarah Fleming, Family and Social Services Administration; Melanie Brizzi, Family and Social Services Administration.

Fiscal Analyst: Sarah Brooks, 317-232-9559.